



STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE REAL ESTATE APPRAISERS BOARD

COPY

In the Matter of:

CARLOS QUINTERO, SCRREA
Certification #42RC00143800

CONSENT ORDER

CERTIFIED TRUE COPY

This matter was opened before the New Jersey State Real Estate Appraisers Board (the "Board") upon the Board's receipt of a complaint from Flagstar Bank regarding an appraisal that respondent Carlos Quintero prepared upon property located at 158 Tontine Avenue, Lyndhurst, New Jersey (the "subject property appraisal"). In reviewing this matter, the Board has considered available information concerning the subject property appraisal, to include, without limitation, a written statement dated August 3, 2009 that respondent provided to the Board and testimony that respondent offered when he appeared before the Board, represented by Thomas A. Harley, Esq., for an investigative hearing on February 23, 2010.

Upon review of available information, the Board finds that respondent was engaged by Flagship Mortgage Corporation on or about May 21, 2009, to appraise residential property located at 158 Tontine Avenue, Lyndhurst, New Jersey. The subject property was a 94 year old colonial, with a gross living area of approximately 1,636 square feet.

When preparing the appraisal, respondent estimated the effective age of the subject property to be 20 years. Respondent prepared an appraisal report, which he dated and signed on June 9, 2009, wherein he appraised

the property to have a market value of \$481,000.

Respondent then prepared a second appraisal report on the property (after concerns were raised to him by his client concerning data in the original appraisal report), which he resubmitted to Flagstar on or about July 8, 2009. Respondent made corrections to the reported gross living area of the comparable properties that he analyzed in developing the sales comparison approach to value and revised his opinion of market value from \$481,000 to \$475,000.¹ While respondent developed a cost approach in the appraisal, he did not give any consideration to that approach in his final analysis, and instead relied exclusively on the value conclusion reached in the sales comparison approach.

Within the sales comparison approach, respondent considered and analyzed three comparable sales, and found the adjusted value of the three sales to be \$475,300 (comparable sale #1), \$442,225 (comparable sale #2) and \$458,000 (comparable sale #3). Respondent reported comparable sale #1 to have an actual age of 59 years, and, while reporting the condition of the property to be "renovated", failed to state in his report that the property was in fact new construction. Respondent then relied exclusively on comparable sale #1 when reconciling the adjusted values of the three comparable sales, and

Specifically, respondent initially reported the gross living areas of the five comparable properties that he analyzed to be 1600, 1500, 1800, 1700 and 2100 square feet respectively (based on visual observation). Within his second appraisal report, respondent based his reporting of gross living areas of the five comparable properties upon information that he obtained from the New Jersey Association of County Tax Boards, and reported the gross living areas of the five comparable sales to be 1792 (12% increase), 2211 (47% increase), 2563 (42% increase), 2458 (45% increase) and 2751 (31% increase) respectively.

concluded that the indicated value of the subject property by the sales comparison approach was \$475,000 [comparable properties #4 and #5 were both listings rather than sales - when appearing before the Board, respondent testified that he did not give any weight to those properties when determining his opinion of value in the sales comparison approach]. Although respondent's revised report was prepared thirty days after his initial report, the revised report also bears a signature date of June 9, 2009.

The Board has reviewed the subject property appraisal report, and finds that the appraisal was misleading and that the value conclusion therein was inflated. Specifically, the Board concludes that the comparable sales that respondent analyzed within the sales comparison approach were all superior in effective age, design and appeal to the subject property, and that respondent's heavy reliance on comparable sale #1 was particularly inappropriate given his failure to have disclosed or recognized that the property was new construction and given his concomitant failure to have made any adjustments between comparable #1 and the subject property based thereon.

The Board finds that, in preparing the subject appraisal, respondent violated multiple provisions of the Uniform Standards of Professional Appraisal Practice (the "USPAP"), to include Standards Rules 1-1 (a), (b) and (c). The Board additionally finds that ~~respondent violated Standards Rules 1-3 (by failing to adequately~~ analyze marketing time and area trend issues) and 1-6 (by failing to have appropriately reconcile data available and analyzed within the report), and that respondent violated the Scope of Work Rule by not

adequately determining and performing the scope of work necessary to develop a credible assignment result.

The Board concludes that, by failing to ensure that its subject property appraisal conformed to the requirements of the USPAP and by violating the above cited provisions of USPAP, respondent violated N.J.A.C. 13:40A-6.1 and engaged in professional misconduct, and that cause for formal action against respondent exists pursuant to N.J.S.A. 45:1-21(d), N.J.S.A. 45:1-21(e) and/or N.J.S.A. 45:1-21(h). The parties desiring to resolve this matter without need for additional administrative proceedings, and the Board being satisfied that good cause exists for the entry of the within Order,

IT IS on this 30th day of December, 2010,

ORDERED and AGREED:

1. Respondent Carlos Quintero is hereby formally reprimanded for having engaged in professional misconduct, by having failed to comply with the requirements of the USPAP, as detailed above.

2. Respondent Carlos Quintero is hereby assessed a civil penalty in the amount of \$3,000, which penalty shall be paid in twenty-four equal installments of \$125, the first installment to be due on or before December 30th, 2010, and each subsequent installment to be paid on or before the 30th of each month thereafter, with a final payment to be due on or before November 30, 2012.

~~3. Respondent Carlos Quintero is hereby assessed costs of~~
investigation, in the amount of \$352.00, which costs shall be paid in full upon entry of this Order.

4. Respondent shall, within six months of the date of entry

of this Order, take and successfully complete a 15 hour course in the Uniform Standards of Professional Appraisal Practice. Respondent shall be required to secure pre-approval from the Board for any course he proposes to take to satisfy the requirements of this paragraph. The course shall be taken in a classroom setting (that is, the Board will not approve an "on-line" course). For purposes of this paragraph, "successfully complete" shall mean that respondent shall pass any examination given at the end of the course and/or obtain a passing grade at the completion of the course. Respondent may not claim any continuing education credit for the completion of the course herein required.

NEW JERSEY STATE REAL ESTATE
APPRAISER BOARD

By:

Frank A. Willis
Frank A. Willis
Board President

I acknowledge that I have read and considered this Order, and agree to the entry of the Order as a matter of public record by the Board.

Carlos Quintero
Carlos Quintero, SCRREA

Consent given to the form and entry of this Order.

Thomas A. Harley, Esq.